

D&CP – BUREAU OF ECONOMIC, ENERGY, AND BUSINESS AFFAIRS

Resource Summary

(\$ in thousands)

Appropriations	FY 2008 Actual	FY 2009 Estimate	FY 2010 Request	Increase / Decrease
Positions	209	209	213	4
Funds	34,354	35,663	38,011	2,348

Mission

The Bureau of Economic, Energy and Business (EEB) works to build the economic framework to achieve U.S. foreign policy goals and enhance the long-term prosperity of the United States. The Bureau accomplishes this by promoting open economies through extensive trade and investment negotiations; by strengthening global economic rules through performance-based development programs and active leadership in multilateral organizations; and by advocacy and support for U.S. private sector activities around the world. One of EEB's primary missions is to work closely with other agencies, businesses, labor groups, and non-governmental organizations to sustain a strong, secure, dynamic international economic system that will continue to provide new opportunities for American business, workers, and farmers.

Enhancing the security of the United States is essential to achieving long-term prosperity. EEB provides vital support to front-line states threatened by terrorism, using all of its policy tools and arsenal to help states undercut terrorist recruitment by providing an economic future and hope to their citizens in strategic regions. The Bureau works successfully with allies to dry up sources of terrorist financing. The Bureau also helps to increase energy security through development of alternative energy sources, prudent management of oil reserves, and diversification of external energy sources. EEB works hard to enhance the security of key infrastructure, particularly for the transport, information, and energy networks.

Priorities

Treaty and Trade Agreement Support

EEB provides critical support and foreign policy guidance to the U.S. Trade Representative (USTR) in opening new markets for U.S. goods and services by negotiating and implementing trade agreements, including World Trade Organization (WTO) accession agreements, and by resolving trade disputes. EEB negotiates Bilateral Investment Treaties (BITs) and Free Trade Agreement (FTA) investment chapters that open up restrictive investment regimes and stimulate growth. The Bureau pioneered a successful program to increase market access and promote acceptance of agricultural biotechnology, empowering poor growers in developing countries and opening markets for American farmers. EEB leads the negotiation of air services agreements that foster competition by removing restrictions on the number of carriers, routes, aircraft, services, and prices. EEB is the U.S. Government lead in international information and communications technology (ICT) policies and initiatives, including Internet and radio spectrum issues vital to U.S. economic prosperity and national security. EEB works with the Bureau of Democracy, Human Rights and Labor to monitor threats, respond to restrictions, and advance freedom of expression and the free flow of information on the Internet. EEB managed a \$1 million FY2004-2008 grant program (\$200k/yr) and seeks its reauthorization for FY2010-2014 so we can continue to train ICT officials and highlight the importance of connectivity through groundbreaking public-private partnerships like CIP's Pakistan Telemedicine Project.

The Bureau, along with the Bureau of Democracy, Human Rights and Labor, established the Secretary's Global Internet Freedom Taskforce (GIFT) to monitor threats, respond to restrictions, and advance freedom of expression and the free flow of information on the Internet, and leads the President's Digital Freedom Initiative.

This indicator measures milestones of progress towards the Bureau of Economic, Energy and Business Affairs' (EEB) goals of promoting economic growth through market-opening trade and investment agreements; strengthening adherence to global economic rules and norms; and achieving favorable outcomes in multilateral standards-setting organizations through active U.S. leadership. This indicator is contained in the PART assessment.

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STRATEGIC GOAL: PROMOTING ECONOMIC GROWTH AND PROSPERITY	
Strategic Priority: Trade and Investment	
Indicator: Status of negotiations and policy changes impacting services, trade, and investment.	
Target FY 2010	- Engage WTO Members on the Doha Round - WTO Accessions: 2 more countries accede - GPA Accessions: 2 more countries accede - Submit the United Nations Convention on International Trade Law (UNCITRAL) cargo agreement to the Senate for ratification - Four bilateral Open Skies agreements (or multilateral accessions) or other liberalizing air transport agreements concluded - Hold a regulatory workshop for developing countries to encourage the adoption of pro-competitive telecommunications policies and regulations - Progress with at least one new country on commercial satellite access - Complete one BIT negotiation
Target FY 2009	- Engage WTO Members on the Doha Round - WTO Accessions: 2 more countries accede - GPA Accessions: 2 more countries accede - Four bilateral Open Skies agreements (or multilateral accessions) or other liberalizing air transport agreements concluded. - Sign the United Nations Commission on International Trade Law (UNCITRAL) cargo agreement - Hold Central America Telecommunications Regulatory Workshop in region to promote implementation of CAFTA-DR trade commitments and development of competitive telecommunications markets - USAID conducts second independent assessment of Pakistan telemedicine project.
Target FY 2008	- Engage WTO Members on the Doha Round - WTO Accessions: 2 more countries accede - GPA Accessions: 2 more countries accede - Two bilateral Open Skies agreements (or multilateral accessions) concluded. Three liberalizing (non-Open Skies) agreements concluded - Hold West Africa Information and Communications Technology (ICT) Road Map to Opportunities Conference to promote increased connectivity, liberalization of telecommunications policies, and economic development in the region - Implement the Pakistan telemedicine public-private partnership; USAID conducts first independent assessment of the project - Conclude United Nations Commission on International Trade Law (UNCITRAL) negotiations for an international agreement on ocean cargo law.
Results FY 2008	Rating: Improved over prior year, but not met Intensive negotiations held on Doha Round. FTA with Peru approved and implemented. Successful West Africa Road Map to Opportunities Conference held in Accra. Innovative Pakistan telemedicine project launched and implemented. BIT negotiations begun with key emerging markets (China, India). No members acceded to the GPA in FY 2008. Two countries acceded to the WTO - Ukraine and Cape Verde. Open Skies Agreements with: Australia, Croatia, Kenya Other non-Open Skies Aviation Agreements: Colombia, Brazil, Russia Concluded UNCITRAL negotiations for an international agreement on ocean cargo law. USAID's first independent assessment of the Pakistan telemedicine project will begin Nov 2008. The delay is due to the project itself not starting until August 2008.
Impact	By opening foreign markets, reducing barriers to trade of goods and services, and promoting economic development and integration using free trade agreements, trade and investment framework agreements and other mechanisms, EEB's work promotes economic growth and prosperity.
Steps to Improve	USAID's first independent assessment of the Pakistan telemedicine project has been delayed from to Nov 2008. The delay is due to the project itself not starting until August 2008. EEB will continue to aggressively promote accessions to the GPA.

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Results FY 2007	Doha - Formal WTO negotiations restarted in Geneva. Draft texts on Agriculture, Services, and Rules issued Successfully engaged WTO Members on the Doha Round No new BITs 12 Countries named to Priority Watch List 2 open skies agreements and multilateral accessions concluded with the European Community and its 27 Member States and with Georgia. 3 liberalizing (non-Open Skies) agreements concluded with China, Japan and Argentina Successful East African Broadband Workshop resulting in a MOU to harmonize and fast-track efforts to expand regional broadband connectivity has been credited with accelerating the deployment of 2 undersea cables connecting the region 22 countries are open to commercial biotech (2006) - data for 2007 not yet available 2 countries (Vietnam and Tonga) complete WTO accession 2 countries (Bulgaria and Romania) accede to GPA
Results FY 2006	Five open skies agreements and multilateral accessions concluded with Mali, Bosnia and Herzegovina, Cameroon, Chad and Cook Islands. UNCITRAL Negotiations on Target
Results FY 2005	Indicator established in 2006.
VERIFICATION AND VALIDATION	
Data Source and Quality	EEB/MTA office for WTO and GPA accessions. Aviation Negotiations for the aviation agreements; Trade Policy for the Trade and Investment Framework Agreements and Doha progress, and Investment Affairs for the Bilateral Investment Treaties. DQA revealed moderate limitations: insufficient method for detecting missing data.

Economic Growth and Development

EEB promotes sustainable economic growth and development by enhancing investment climates abroad, fostering modern and well-regulated global financial markets, and helping poor countries recover from financial crises, including excessive debt. One of the greatest challenges is addressing the scourge of corruption, which continues to divert resources, deter private sector investment, and impede economic development, particularly in the poorest countries. EEB leads the U.S. interagency process to strengthen the Organization for Economic Co-operation and Development's (OECD) Anti-Bribery Convention to fight bribery in international business transactions and reinforces this by improving anti-bribery disciplines for OECD-member export credit agencies. The Bureau also promotes anti-corruption practices through multilateral development bank programs.

This indicator measures the direct support that the Bureau of Economic, Energy, and Business Affairs provides to U.S. business in exporting goods and services as well as in resolving commercial disputes and managing overseas investments.

STRATEGIC GOAL: PROMOTING ECONOMIC GROWTH AND PROSPERITY	
Strategic Priority: Trade and Investment	
Indicator: Number of Company-Specific Cases for Which Advocacy Services Were Provided	
Target FY 2010	368 company-specific cases for which advocacy services will be provided. 105 advocacy success stories.
Target FY 2009	350 company-specific cases for which advocacy services were provided. 100 advocacy success stories.
Target FY 2008	300 company-specific cases for which advocacy services were provided. 80 advocacy success stories.
Results FY 2008	Rating: Above Target 351 company-specific cases for which advocacy services were provided. 103 advocacy success stories.

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Impact	Advocacy services for U.S. companies ensures transparency and fair play which promotes market access and reform, and assists with regulatory and investment problems.
Reasons for Exceeding Target	Company requests for advocacy exceeded anticipated levels.
Results FY 2007	Advocacy services were provided for 335 company-specific cases; 60 advocacy success stories.
Results FY 2006	Advocacy services were provided for 349 company-specific cases; 94 advocacy success stories.
Results FY 2005	Advocacy services were provided for 225 company-specific cases; 62 advocacy success stories.
VERIFICATION AND VALIDATION	
Data Source and Quality	Economic, Energy and Business Affairs Bureau advocacy database; Department of Commerce advocacy database; reporting cables from posts; feedback from companies; quarterly success stories report to the Deputy Secretary of State and the Under Secretary for Economic and Agricultural Affairs. DQA revealed no significant data limitations.

Strengthening Compliance with Economic Rules and Norms

EEB's International Intellectual Property Enforcement Office (IPE) advocates for U.S. right holders and directs the U.S. Government's overseas intellectual property enforcement technical assistance and training programs. IPE's work helps fight growing terrorist and organized crime networks that use counterfeiting and piracy to finance their operations. EEB works closely with the USTR to develop and advocate for U.S. policy on WTO dispute settlement cases against countries not living up to their trade commitments. The Bureau promotes the integration of labor standards as a negotiating objective in FTAs and works to ensure that all of the U.S. Government's trade agreements include enforceable provisions on relevant international labor standards, that FTA environmental obligations are met, and that a Doha Round agreement includes U.S.-led environmental initiatives.

Supporting U.S. Businesses and Private Sector Growth and Investment

EEB works with the U.S. embassies regularly to advocate for U.S. companies to ensure fair play, assist with regulatory and investment problems, and maximize commercial opportunities. The Bureau supports American companies doing business in more than 140 countries that do not have a Commerce Department Commercial Service (CS) presence, using EEB's Business Facilitation Incentive Fund to bolster commercial support platforms, increase commercial training, and improve IT capabilities.

Promoting Energy and Aviation/Maritime Security

The Bureau focuses on the development of transparent global energy markets with open access to suppliers and consumers and intensified dialogue with Saudi Arabia and other key producers to increase oil production and capacity. The Bureau works with Iraq to build a hydrocarbons framework to assist in developing its oil resources and leads diplomatic efforts to support multiple pipelines for Caspian oil and natural gas. EEB is also processing Presidential Permit applications for three major crude oil lines from Canada that will boost our crude supplies by over 1 million barrels per day, or over 5 percent of our current daily consumption when fully operational. EEB promotes responsible development of energy resources through the Extractive Industries Transparency Initiative (EITI) and the Code of Corporate Responsibility. The Bureau works closely with the International Energy Agency to develop and sustain emergency strategic energy stocks and to disseminate energy efficiency and low-carbon energy technology best practices globally. EEB leads the USG in negotiating civil aviation agreements with other countries; it also enhances security conditions at overseas airports and seaports and bolsters inspection of passengers and freight prior to their entry into the United States by working with the U.S. Coast Guard and the Transportation Security Administration to assess foreign governments' adherence to international security standards and by working with the Customs and Border Protection to establish new supply chain security initiatives.

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Justification of Program Change

Enhancing Long-Term U.S. Prosperity and Security - \$1,351,000

The funding and associated new positions requested will serve to increase the Department of State's ability to advance economic foreign policy goals that benefit the U.S. by enhancing our long-term prosperity and security. Economic issues such as energy security, protection of intellectual property rights, food security and advocacy for U.S. business and intellectual property rights are critical to the well-being of our country. Additional resources will enable EEB to increase its productivity in achieving U.S. policy goals in these and other crucial areas that are in the best interests of the U.S.

The requested funding will accelerate U.S. export and investment promotion initiatives at U.S. embassies worldwide where there is no Department of Commerce presence, and it will also support strong advocacy for the activities of U.S. business abroad. The export of U.S. agricultural products will be enhanced through educational outreach programs that support food security, facilitate trade by promoting understanding of agricultural biotechnology and encourage the adoption of fair and science-based policies in other countries. The funding will also be used to support our presence at international telecommunications conferences where the Bureau has the statutory responsibility to coordinate and lead all U.S. Government activities regarding the formation and advocacy of international communication and information policy. The promotion of information and communication technologies globally benefits U.S. business, enhances development and strengthens democracy.

The requested funding will also support a new position that will serve to advocate for and protect U.S. intellectual property rights holders by offering technical enforcement assistance and training programs to foreign governments. Others will help promote U.S. energy security through the development of alternative energy sources, prudent management of oil reserves, and development and management of emergency strategic energy stocks. Finally, an additional position will continue the growth of job creation and economic development in key troubled areas in strategically important regions.

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FY 2010 Request Resource Summary

	Positions			Pos Total	Funds (\$ in thousands)		
	American Domestic	Overseas	FSN		Bureau Managed	American Salaries	Funds Total
FY 2008 Actual	209	0	0	209	5,156	29,198	34,354
FY 2009 Estimate	209	0	0	209	4,926	30,737	35,663
FY 2010 Built-in Changes							
Annualization of FY 2009							
American COLA	0	0	0	0	8	152	160
Domestic Inflation	0	0	0	0	18	0	18
FY 2010 American Cost of							
Living Adjustment	0	0	0	0	20	467	487
Total Built-in Changes	0	0	0	0	46	619	665
FY 2010 Current Services	209	0	0	209	4,972	31,356	36,328
FY 2010 Program Changes							
Enhancement of EEB Programs							
and Operations	4	0	0	4	1,351	332	1,683
Total Program Changes	4	0	0	4	1,351	332	1,683
FY 2010 Request	213	0	0	213	6,323	31,688	38,011

Staff by Program Activity (positions)

Bureau of Economic, Energy, and Business Affairs	FY 2008 Actual	FY 2009 Estimate	FY 2010 Request	Increase / Decrease
Conduct of Diplomatic Relations	178	178	183	5
Economic/Trade Affairs	178	0	0	0
Domestic Administrative Support	10	9	9	0
Domestic Administrative Management	3	0	0	0
Domestic Financial Services	2	0	0	0
Domestic General Services	2	0	0	0
Domestic Personnel Services	3	0	0	0
Information Resource Management	4	5	4	(1)
Infrastructure Systems	4	0	0	0
Policy Formulation	14	14	14	0
Public Diplomacy - Program Costs	14	0	0	0
Public Diplomacy	3	3	3	0
Total	209	209	213	4

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Funds by Program Activity

(\$ in thousands)

Bureau of Economic, Energy, and Business Affairs	FY 2008 Actual	FY 2009 Estimate	FY 2010 Request	Increase / Decrease
Conduct of Diplomatic Relations	29,034	29,989	32,864	2,875
Economic/Trade Affairs	3,794	0	27,898	27,898
Counter-Terrorism Programs	1,584	120	120	0
Economic/Trade Affairs	50	0	0	0
Domestic Administrative Support	1,573	1,323	1,317	(6)
Business Services	178	0	0	0
Information Resource Management	1,187	1,320	574	(746)
Infrastructure Systems	629	0	0	0
Infrastructure Maintenance	629	0	0	0
Policy Formulation	379	2,399	2,129	(270)
Economic/Trade Affairs	379	0	0	0
Public Diplomacy	597	512	1,007	495
Public Diplomacy - Program Costs	0	0	27	27
Total	34,354	35,663	38,011	2,348

FY 2010 Request Program Activities

Department Of State	Positions				Funds (\$ in thousands)		
	American Domestic	Overseas	FSN	Pos Total	Bureau Managed	American Salaries	Funds Total
Conduct of Diplomatic Relations	183	0	0	183	4,966	27,898	32,864
Economic/Trade Affairs	0	0	0	0	0	27,898	27,898
Counter-Terrorism Programs	0	0	0	0	120	0	120
Domestic Administrative Support	9	0	0	9	200	1,117	1,317
Information Resource Management	4	0	0	4	154	420	574
Policy Formulation	14	0	0	14	375	1,754	2,129
Public Diplomacy	3	0	0	3	508	499	1,007
Public Diplomacy - Program Costs	0	0	0	0	27	0	27
Total	213	0	0	213	6,323	31,688	38,011

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Staff by Domestic Organization Unit

(positions)

Bureau of Economic, Energy, and Business Affairs	FY 2008 Actual	FY 2009 Estimate	FY 2010 Request	Increase / Decrease
Caspian Basin Energy Diplomacy	1	1	4	3
Coordinator for Business Affairs	8	8	9	1
Deputy Assistant Secretary for Energy, Sanctions, & Commodities	28	28	28	0
Deputy Assistant Secretary for International Communications & Info Policy	28	28	28	0
Deputy Assistant Secretary for International Finance and Development	35	35	35	0
Deputy Assistant Secretary for Trade Policy and Programs	55	55	55	0
Deputy Assistant Secretary for Transportation Affairs	23	23	23	0
Office of the Assistant Secretary	22	22	22	0
Policy Analysis and Public Diplomacy	9	9	9	0
Total	209	209	213	4

Funds by Domestic Organization Unit

(\$ in thousands)

Bureau of Economic, Energy, and Business Affairs	FY 2008 Actual	FY 2009 Estimate	FY 2010 Request	Increase / Decrease
Caspian Basin Energy Diplomacy	287	152	652	500
Coordinator for Business Affairs	1,711	1,768	1,935	167
Deputy Assistant Secretary for Energy, Sanctions, & Commodities	4,412	4,775	5,250	475
Deputy Assistant Secretary for International Communications & Info Policy	4,620	4,798	5,116	318
Deputy Assistant Secretary for International Finance and Development	5,456	5,660	5,811	151
Deputy Assistant Secretary for Trade Policy and Programs	9,289	9,904	10,353	449
Deputy Assistant Secretary for Transportation Affairs	3,505	3,633	3,627	(6)
Office of the Assistant Secretary	3,550	3,525	3,816	291
Policy Analysis and Public Diplomacy	1,524	1,448	1,451	3
Total	34,354	35,663	38,011	2,348

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Funds by Object Class

(\$ in thousands)

Bureau of Economic, Energy, and Business Affairs	FY 2008 Actual	FY 2009 Estimate	FY 2010 Request	Increase / Decrease
1100 Personnel Compensation	21,867	25,758	27,393	1,635
1200 Personnel Benefits	7,627	5,341	4,791	(550)
2100 Travel & Trans of Persons	2,075	2,044	2,197	153
2200 Transportation of Things	16	16	16	0
2300 Rents, Comm & Utilities	609	543	695	152
2400 Printing & Reproduction	63	64	63	(1)
2500 Other Services	1,273	1,066	1,712	646
2600 Supplies and Materials	405	408	697	289
3100 Personal Property	419	423	447	24
Total	34,354	35,663	38,011	2,348